

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:)	Chapter 11
)	
EXDS, INC. (f/k/a EXODUS)	Case No. 01-10539 (PJW)
COMMUNICATIONS, INC.), et. al.,)	
)	Jointly Administered
Debtors.)	
)	
EXDS, INC. (f/k/a EXODUS)	
COMMUNICATIONS, INC.),)	Adv. Pro. No. 03-56185 (PJW)
)	
Plaintiff,)	
)	JURY TRIAL DEMANDED
v.)	
)	
CB RICHARD ELLIS, INC. (a/k/a CB)	
COMMERCIAL REAL ESTATE GROUP a/k/a)	
INSIGNIA/ESG, INC. n/k/a CB RICHARD)	
ELLIS REAL ESTATE SERVICES, INC.) and)	
HIGHGATE HOLDINGS, INC.,)	
)	
Defendant.)	

**EXDS' RESPONSE TO CBRE'S
MOTION TO WITHDRAW REFERENCE**

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Dated: April 12, 2006

Debtor EXDS, Inc. ("EXDS"), through its attorneys, respectfully submits this response to the motion of defendant CB Richard Ellis ("CBRE") to withdraw the reference in the adversary proceeding No. 03-56185 (the "Adversary Proceeding").

RESPONSE

On September 13, 2003, EXDS filed the Adversary Proceeding to recover amounts owed to the EXDS estate (the "Estate") by CBRE and/or Highgate Holdings, Inc. ("Highgate") in connection with a prepetition contract to share real estate broker commission fees on certain properties leased by EXDS. On March 15, 2006, CBRE moved to withdraw the reference on grounds that the parties have demanded a jury trial and CBRE refuses to consent to a jury trial in the bankruptcy court (the "Reference Motion"). (DI 85.) On that same date, CBRE separately filed a motion to dismiss the complaint for lack of subject matter jurisdiction (the "Motion to Dismiss"). (DI 83.)

With respect to the Reference Motion, it is axiomatic that absent consent by the parties, all jury trials, including those involving core bankruptcy issues, must be held in the district court. *See Beard v. Braunstein*, 914 F.2d 434, 436 (3d Cir. 1990). CBRE refuses to consent to a jury trial in the bankruptcy court. As a result, EXDS does not object to withdrawal of the reference.

With respect to the Motion To Dismiss, EXDS has today separately filed a response opposing that motion.

Dated: April 12, 2006

Respectfully submitted,

EXDS, INC.

By: /s/ John M. Seaman
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